
**State Government Operations &
Accountability Committee**

HB 1908

Brief Description: Modifying the requirements of small business economic impact statements by state agencies.

Sponsors: Representatives DeBolt, Alexander, Williams, Dunn, Woods, Condotta and Anderson.

Brief Summary of Bill

- Adds a description of the number of jobs created or lost as a result of a proposed rule to the contents of a small business economic impact statement.

Hearing Date: 2/25/05

Staff: Jim Morishima (786-7191).

Background:

Under the Regulatory Fairness Act, an agency must develop a small business economic impact statement (SBEIS) if a rule it is adopting will impose more than minor costs on businesses in an industry or if ordered to do so by the Joint Administrative Rule Review Committee. The SBEIS must contain a variety of information, including:

- A brief description of the reporting, recordkeeping, and other compliance requirements of the proposed rule;
- A description of the professional services that a small business is likely to need in order to comply with the requirements of the proposed rule;
- An analysis of the costs of compliance;
- A consideration of whether the rule will cause businesses to lose sales or revenue;
- A determination of whether the rule has a disproportionate impact on small businesses. The determination must compare the cost of compliance on small businesses with the cost of compliance for the 10 percent of businesses that are the largest businesses required to comply with the rule. The agency must use at least one of the following measure when making this comparison: Cost per employee, cost per hour of labor, or cost per hundred dollars of sales;
- A description of how the agency will involve small businesses in the development of the rule; and
- A list of industries that will be required to comply with the rule.

Summary of Bill:

A SBEIS must contain the number of jobs that will be created or lost as the result of compliance with a proposed rule.

Appropriation: None.

Fiscal Note: Requested on February 16, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.